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**MAYOR JERRY SANDERS**  
**FACT SHEET**

**FITCH UPGRADES RATINGS FOR SAN DIEGO  
REDEVELOPMENT AGENCY BONDS**

*Upgrade covers \$17.4 million in tax-allocation bonds for North Park*

Citing strong fundamentals, Fitch Ratings has upgraded \$17.4 million in tax-allocation bonds for the Redevelopment Agency of the City of San Diego's North Park project area.

The Wall Street ratings agency upgraded from 'A-' to 'A' three series of bonds for the 555-acre project area, situated north of Balboa Park a short distance from Downtown. Fitch noted that, while the project area's tax-revenue growth slowed in fiscal year 2010 after average annual increases of nearly 12 percent from 2000-2009, debt coverage remains high even with moderate declines expected in the near term.

Estimated net revenues for fiscal 2009 of \$4.5 million are well over three times the annual debt service on the bonds, Fitch said in a press release on the upgrade. Even with the severe decline in property market values, the project area has seen strong gains in tax revenue since it was established in 1997.

"Although the project area is fairly new, the incremental value increases have resulted in a strong incremental value-to-base-year ratio, resulting in more revenue stability if assessed value declines," the agency stated in its ratings rationale. "The North Park project area's tax increment revenue, even assuming sizeable appeals and other reductions, provides strong debt service coverage of the senior tax allocation bonds."

The primary credit rating driver for the bonds will be maintaining relative stability in assessed valuation and tax increment, the agency said.

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